

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2019/2020

BGM 2054 - GLOBAL MANAGEMENT

(All sections/ Groups)

3 MARCH 2020

9:00 a.m – 11:00 a.m

(2 Hours)

INSTRUCTIONS TO STUDENTS:

1. This question paper consists of **TWO** parts – Part A and Part B. The total number of pages for this examination paper is **10 pages** (including the cover page).
2. Please answer **ALL** questions.
 - **Part A** contains multiple choice questions (40 marks). Shade the most appropriate response on the multiple-choice answer sheet.
 - **Part B** contains short answer questions (60 marks). Write your answers in the Answer Booklet provided.

PART A: MULTIPLE CHOICE (40 marks)

Read each question below and then indicate the most appropriate response on the multiple-choice answer sheet. (2 marks for each correct answer, for a total of 40 marks)

1. A particular brand of hand phone manufactured in China and a Malaysian seller sells the hand phones in the Malaysian stores. The seller is engaging in _____ activity.
 - A) exporting
 - B) outsourcing
 - C) insourcing
 - D) importing

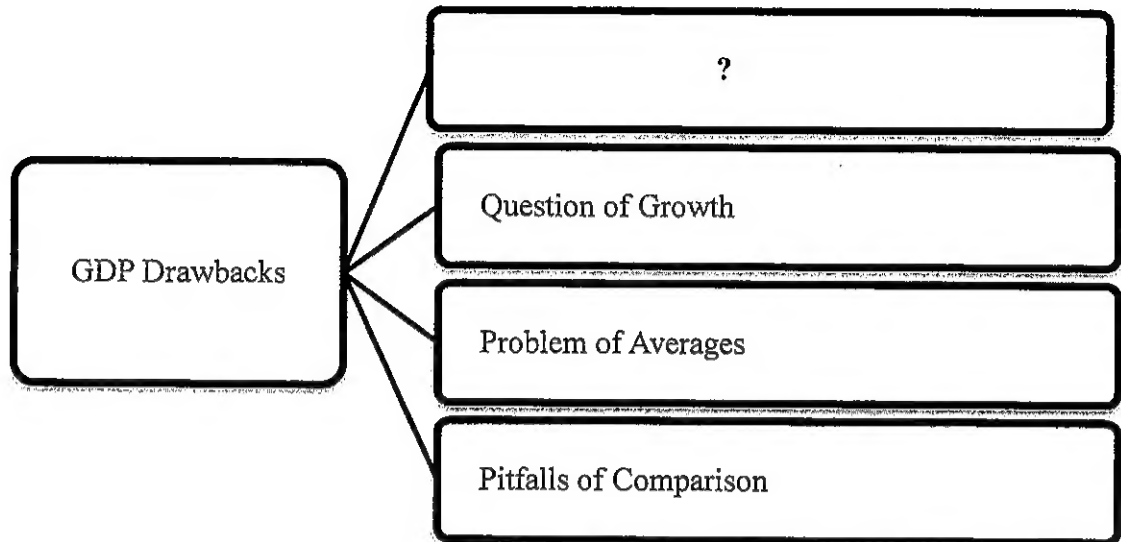
2. Individuals from the home country manage operations outside the home country in _____ staffing.
 - A) ethnocentric
 - B) polycentric
 - C) regiocentric
 - D) geocentric

3. Under a(n) _____ political system, the state reigns supreme over institutions such as family, religion, business, and labor.
 - A) pluralistic
 - B) totalitarian
 - C) democratic
 - D) anarchist

4. Which of the following philosophies asserts that ownership of the means of production belongs in the hands of individuals and private businesses?
 - A) capitalism
 - B) communism
 - C) tribalism
 - D) socialism

Continued ...

5. GDP is a useful indicator of a nation's economic performance, and it is the most commonly used measure of well-being. However, it has some important limitations. Which of the following best suit the blank box?



- A) The exclusion of non-market transactions
B) The breakeven profits
C) Sustainability of a market
D) Deplete natural resources
6. A recent study published in December, 2019 by the Star Newspaper shows “In Malaysia, the lack of affordable housing was particularly severe among households earning less than RM5, 000, with more than half in Kuala Lumpur and Petaling district lacking access to housing they can afford. Households in the RM6, 000 to RM10, 000 income bracket can typically afford to buy a home in the RM230, 000 to RM500, 000 price range but the availability of such homes is very uneven”.

Based on this study, we can infer that the Malaysian lacks of _____ in purchasing a home:

- A) potential output
B) gross national product
C) purchasing power
D) gross domestic product

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7. The danger of trade dependency is that _____.
- A) it often leads to the exploitation of developed countries
 - B) political turmoil in a country might affect all dependent countries
 - C) the countries involved in trade often get into rivalry over trade tariff issues
 - D) it is difficult to end trade activities with current trade partners and find new trade partners
8. The purpose of _____ is to force companies from other nations to use local resources in their production processes, particularly labor.
- A) administrative delays
 - B) currency controls
 - C) local content requirements
 - D) voluntary export restraints
9. An additional tariff placed on an imported product that a nation believes is receiving an unfair subsidy is called a(n) _____.
- A) countervailing duty
 - B) ad valorem tariff
 - C) antidumping duty
 - D) compound tariff
10. A(n) _____ advantage is the advantage of conducting a particular economic activity in a specific area because of the characteristics of that area.
- A) internalization
 - B) ownership
 - C) comparative
 - D) location
11. Home nations discourage foreign direct investment outflows because it _____.
- A) discourages cooperation between countries
 - B) replaces jobs in the home nation
 - C) fails to protect the "sunset" industries in the home nation
 - D) decreases long-term competitiveness of companies

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12. Which of the following is the lowest extent of regional economic integration?
- A) free trade area
 - B) political union
 - C) common market
 - D) customs union
13. Which of the following statements is **NOT TRUE** about trade creation?
- A) Economic integration removes barriers to trade and/or investment for nations belonging to a trading bloc.
 - B) Consumers and industrial buyers in member nations are faced with a wider selection of goods and services not previously available.
 - C) Buyers can acquire goods and services at lower cost after removal of trade barriers such as tariffs.
 - D) It increased trade with a less-efficient producer within the trading bloc and reduced trade with a more efficient nonmember producer.
14. To cool off an inflationary economy, a government might _____.
- A) lower interest rates
 - B) raise interest rates
 - C) lower foreign exchange rates
 - D) raise foreign exchange rates
15. Devaluation of a nation's currency _____.
- A) gives foreign companies in the country an edge over domestic companies
 - B) leads to a decline in the supply of goods and services
 - C) increases the price of a country's imports
 - D) increases consumers' buying power
16. The main drawback of a multinational strategy is that it **does not** allow a company to _____.
- A) exploit scale economies in product development or marketing
 - B) closely monitor buyer preferences in each local market
 - C) modify its products except for the most superficial features
 - D) respond quickly and effectively to emerging buyer preferences

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17. A retrenchment strategy is designed to _____.
- A) encourage growth through joint ventures
 - B) reduce the scale or scope of a corporation's operations
 - C) focus exclusively on internally generated growth
 - D) guard against organizational change
18. Which of the following financing methods entails the greatest risk for importers?
- A) documentary collection
 - B) advance payment
 - C) letter of credit
 - D) open account
19. When one company is hired to design, construct, and test a production facility for a client, the arrangement is called _____.
- A) a turnkey project
 - B) licensing
 - C) a joint venture
 - D) franchising
20. Which of the following circumstances would best require a push strategy to be implemented for product promotion?
- A) channel members wield a great deal of power relative to that of producers
 - B) distribution channels are lengthy
 - C) buyers display a great deal of brand loyalty to particular product
 - D) the products are industrial goods

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PART B: Short-Answer Questions (60 marks)

Part B has THREE (3) questions. Answer ALL questions.

Question 1 (20 marks)

Question 1 a, b and c are related to the following news below.

25 Nov, 2019 - Britain has agreed to take back 42 containers of plastic waste illegally exported to Malaysia, officials said Monday, as several Asian nations push back against becoming the world's rubbish dump. Southeast Asia has been flooded with plastic from more developed nations such as the US and Australia since last year when China – which boasted a massive recycling industry – ordered a suspension to imports.

Many recycling businesses from China moved to Malaysia after the ban took effect, leaving officials struggling to return a large number of shipping containers full of waste brought in from abroad. After a visit by UK environment officials, Britain agreed to take back containers sent to a major port in northern Penang state since last year without the necessary import papers.

Malaysian Environment Minister Yeo Bee Yin praised the “highly commendable” move by London. Britain has agreed to take back 42 containers of plastic waste illegally exported to Malaysia, officials said Monday, as several Asian nations push back against becoming the world's rubbish dump. Southeast Asia has been flooded with plastic from more developed nations such as the US and Australia since last year when China – which boasted a massive recycling industry – ordered a halt to imports

Many recycling businesses from China moved to Malaysia after the ban took effect, leaving officials struggling to return a large number of shipping containers full of waste brought in from abroad. Malaysia and UK will set an example for other countries with companies exporting contaminated plastic waste to other developing nations.” British High Commissioner Charles Hay said the return of the containers showed the UK's “commitment to fighting the illegal plastic waste trade”.

Malaysian media reported the country's imports of plastic waste from its 10 biggest source countries jumped to 456,000 tonnes between January and July 2018, up from 316,600 tonnes purchased in 2017 and 168,500 tonnes in 2016. A lot of the plastic scrap coming into the country is contaminated and low-quality plastic from developed countries that is non-recyclable, and ends up being burnt or buried in landfills.

Source: <https://www.scmp.com/news/asia/southeast-asia/article/3039275/plastic-waste-illegally-exported-malaysia-will-be-sent>

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Now, answer the following questions:

Anti-globalisation groups view globalisation activities spur the damages done towards the environment.

- 1a. Based from the article identify **FOUR (4)** key international business players who are responsible for the environmental damage in Malaysia and how the players contribute to the damage.

(12 marks)

- 1b. Describe **TWO (2)** actions that the Malaysian government or a Malaysian business entity can do to curb illegal waste dumping from developed countries.

(8 marks)

Continued...

Question 2 (20 marks)

Question 2a and 2b are based on the following article:

SHOPEE, the leading e-commerce platform in Southeast Asia and Taiwan, officially launched China Marketplace on March 1, 2018. Users can access the newly-launched China Marketplace via a dedicated entry point on Shopee's home page. Bolstered by an increasingly sophisticated audience constantly on the lookout for the best value and variety, the new marketplace opens doors to an expanded variety of affordable and quality products from China. Shopee's China Marketplace also provides inroads for sellers in China to tap on Shopee's thriving retail ecosystem in Singapore.

Shopee conducted a survey with local online shoppers and found that over 60% of recipients shop for products from China at least once a month. Almost 90% of survey respondents indicated that they shop from China more today, as compared to five years earlier, citing product variety, convenience and cost savings as key reasons. In addition, according to a recent Paypal report, an estimated half a million Singaporeans spent approximately S\$1.2 billion (RM3.55 billion) on cross-border shopping. "Based on the survey, 57% of respondents shared that a pain point of cross-border shopping is the high shipping fees, 39% indicated language barrier, and 37% listed poor user interface. We believe that Shopee's China Marketplace is the perfect solution to this. In addition to the exciting variety and competitive prices, shoppers will also enjoy free shipping and no agent fees for all purchases and easy access to millions of translated listings - all through the easy-to-use Shopee interface they know and love," said Zhou Junjie, chief commercial officer and country head of Shopee Singapore.

China Marketplace features over one million listings across categories such as Women's Fashion, Home & Living, and Kids' Fashion. Shoppers will now also have direct access to China's top sellers and leading lifestyle brands such as Xiaozhainv, Banfang Home, and Xi Home, which have gained significant popularity in Singapore over the past few years. "Shopee's China Marketplace has provided us with a platform to expand our reach to Singapore, and a way to directly engage with an overseas customer base. With strong logistics and integrated payments support from Shopee, we can focus our attention on other aspects of the business, including curating the best product assortment suited for the Singaporean consumer, and enhancing overall customer experience through provision of strong customer support," said Huang, chief executive officer of Xiao Zhai Nv, a Chinese retailer specialising in women's clothing and fashion. To kick off this launch, Shopee will be hosting a China Marketplace Launch Sale featuring discounts of up to 90% off all products listed on China Marketplace at up to 90% off.

As Citibank is the official bank partner for the launch, all Citi card members can enjoy an additional 15% off all products purchased from China Marketplace.

Source:

<https://www.digitalnewsasia.com/digital-economy/shopee-launches-china-marketplace>

Based on the article, now answer Question 2a and 2b below:

- 2a. List down **FOUR (4)** advantages that Shopee may experience when introducing China Marketplace in its platform? (8 marks)
- 2b. Cross-border online shopping requires a good blend of competitive advantage. Michael Porter outlined several competitive advantage elements namely:
- Factor Conditions:
 - Demand Conditions:
 - Related and Supporting Industries:
 - Firm Strategy, Structure, and Rivalry
 - Government and Chance

Describe any **THREE (3)** national competitive advantage element that Shopee has and **provide with an example** for each element by using the example that you can solicit from the article.

Question 3 (20 marks)

Education is crucial for passing on traditions, customs, and values. Each culture educates its young people through schooling, parenting, religious teachings, and group memberships. Explain each of the following Hofstede's dimension of culture on how culture influences education given to young people:

- a. Masculinity
- b. Uncertainty avoidance
- c. Individualism
- d. Power distance

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